

LETTER OF AGREEMENT ON
NARCOTICS CONTROL AND LAW ENFORCEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF
AMERICA
AND
THE GOVERNMENT OF BOLIVIA
DURING 2006-2007

From: NAS / Bolivia

I. GENERAL

The Governments of the Republic of Bolivia and of the United States of America:

With a desire to strengthen bilateral relations of friendship and cooperation; and within the framework of the General Agreement for Technical Cooperation between the United States of America and Bolivia signed on March 14, 1951, with reference to Point Four:

Recognizing that the problem of illegal drugs represents a grave threat to the health and welfare of their peoples and that the responsibility of resolving these problems must be shared by all nations;

Recognizing constitutional, legal and administrative systems, respect for human rights, and social agreement in the application of public policies;

Reaffirm their commitment to combat the production, trafficking and use of illegal drugs in a framework of shared responsibility, with respect for national sovereignty and dignity, following the principles of transparency, honesty, and efficiency.

The Government of the United States of America and the Government of Bolivia (hereinafter each individually a "Party" and, collectively, the "Parties") agree to establish and to support a project designed to enhance the institutional capacities of the Government of Bolivia to implement effective measures against transnational and domestic organized crime and to implement all aspects of Bolivia's comprehensive national strategy to prevent the abuse, trafficking and production of illicit drugs.

The actions to be taken and the resources to be provided by the Government of the United States of America ("USG") and the Government of Bolivia ("GOB") in support of this Letter of Agreement ("LOA") are set forth below and constitute firm commitments by each Party. Funds granted by the USG under the terms of this LOA are specified in a separate face sheet. Future funding for these projects by the USG is contingent upon the availability of duly authorized and appropriated funds, satisfactory progress toward project goals, and the approval by the U.S. Department of State, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs ("INL").

II. PROJECT DESCRIPTIONS

These projects are designed to enhance the GOB's institutional capacities to carry out effective measures against drug trafficking, terrorism and other transnational or domestic organized crimes. Toward that goal, the USG and the GOB shall take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this LOA.

The Parties may increase, amend, or terminate individual projects undertaken in conjunction with this LOA as agreed to by the Parties in writing. All such projects shall be subject to the terms and conditions of this LOA.

Specific actions to be taken to implement this LOA shall be identified in detail in exchanges of letters and appropriate supporting documentation by the GOB, the Narcotics and Law Enforcement Affairs Section of the U.S. Embassy ("NAS"), and the competent agencies or institutions in Bolivia that may receive assistance pursuant to this LOA. The individual projects that are currently in progress, or which are planned for initiation during United States Fiscal Year 2006 are identified below, including the specific project number assigned for each project and used in the face sheet to this LOA. The planned life of each project, and the intended outcome of the project, is as described for each.

The support provided for each project reflects the requirements to achieve the related goal and might include any of the following goods or services: the construction, maintenance or improvement of physical infrastructure; the provision of salary supplements; the provision of uniforms and other personal equipment; the payment of rents and utilities (including those of internet, cable, satellite and telephone services); the payment of job-related travel costs; the payment of expenses for medical care and rehabilitation for injuries sustained in the line of duty; the provision of office equipment; the provision of the means of transportation for job-related activities; the provision of video, camera and related equipment; the provision of computers, communications and related equipment; the provision of various forms of training; the contracting of consultancies; and, the provision of other project-related goods or services.

Provision of USG grant funding beyond the current fiscal year is conditioned upon satisfactory progress toward project goals and

the availability of funds authorized and appropriated on a year-to-year basis by the U.S. Congress and approved by the Bureau for International Narcotics and Law Enforcement Affairs (INL) within the U.S. Department of State.

DRUG CONTROL

1. INTERDICTION (12,992,000)

The Interdiction Project is designed to increase the GOB's institutional capability to interdict narcotics and precursors produced within or transiting through Bolivia and to prosecute related cases. It will work to increase the capacity of the judicial system to resolve cases brought under Law 1008, aiming to reduce trial delays for drug trafficking cases. NAS funding complements and is coordinated with related activities undertaken by the Drug Enforcement Administration (DEA) and the Military Support Group (MILGROUP), in coordination with National Drug Control Board (CONALTID). The project will provide the GOB with technical advice, equipment, training and other elements (as summarized above) as appropriate, as well as with other forms of assistance as may be deemed relevant tactically to achieve the goal. The project supports:

- the Controlled Substances Prosecutors (FISCALIA), and
- the Specialized Force to Combat Narcotics Trafficking (FELCN) within the Bolivian National Police, across its District Commands and National Headquarters and the following specialized groups and activities:
 - Rural Mobile Patrol Unit (UMOPAR),
 - Force for Special Operations (FOE - which includes the groups formerly known as the Special Intelligence & Operations Group (GIOE), Chemical Investigations Group (GISUQ) and Economic/Financial Investigation & Analysis Group (GIAEF)
 - Drug Detection Canine Unit (K-9),
 - International Counternarcotics Training Center (GARRAS).

The planned life of this project is more than five years; at the end of five years, the GOB will require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. This is an ongoing project, and FY-06 funding will allow the FELCN to interdict at least 16% of Bolivia's potential cocaine production and the Attorney General to pursue the associated cases.

Continuing USG assistance to the GOB builds upon decades of prior support provided to address the shared goal of eliminating

drug trafficking in Bolivia. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Numbers 1202, 1203, 1204, 1205, 1207, 1210, 1211, 1621)

2. ERADICATION (RATIONALIZATION AND AREAS OF NO EXPANSION OF COCA CULTIVATION) (5,694,000)

The Eradication Operations Support Project is designed to increase the GOB's institutional capability to control the marketing of legal coca and to eradicate illicit coca. NAS funding complements and is coordinated with related activities undertaken by the Drug Enforcement Administration (DEA) and the Military Support Group (MILGROUP), in coordination with CONALTID. The project will provide the GOB with technical advice, equipment, training, and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal. The project supports:

- the Joint Eradication Task Force (JTF),
- the Directorate General for Integral Development of Coca Producing Regions (DIGPROCOCA), and
- the Ecological Police (ECOPOLICE).

Continuing USG assistance to the GOB entities that pursue eradication and control of the legal marketing of coca builds upon years of prior support provided to address the shared goal of eliminating drug trafficking in Bolivia. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Numbers 1412, 1413, 1414)

The planned life of this project is more than five years; at the end of five years, the GOB will require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. This is an ongoing project, and FY-06 funding will allow:

- That the relevant institutions of the Bolivian government reduce the amount of hectares of coca in the country as established by Law 1008, beginning with 5,000 until reaching the goal of 8,000 hectares annually, subject to the availability of resources, including bilateral and multilateral financial assistance, for a period of twelve months during 2006-2007.

3. POLICY DEVELOPMENT (100,000)

The Policy Development project will help strengthen the National Drug Control Board (CONALTID), a ministerial body that effectively coordinates the GOB's anti-drug strategy; develop the coordination and policy development capacity of the Vice Ministries of Social Defense and Integrated Development and Coca; and help the GOB develop and implement its social communication policies related to counternarcotics activities. The project will provide the GOB with technical advice, equipment, training, consultancies, and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal. The project supports *inter alia* the Vice Ministry of Social Defense within the Ministry of Government, the Vice Ministry of Integrated Development and Coca within the Ministry of Agriculture and CONALTID's Coordination Secretariat within the Ministry of Foreign Affairs and Worship.

The planned life of this project is more than five years; at the end of five years, the GOB may require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. FY-06 funding will allow the GOB:

- to implement the National Drug Strategy, pending receipt of the GOB's revised National Drug Strategy in draft at the time this document was signed and
- to design and implement a social communication strategy to promote popular support for the breadth of the GOB's CN activities.

Continuing USG assistance builds upon years of prior support provided to the Vice Ministry of Social Defense to address the shared goals of eliminating drug trafficking, reducing drug use and rehabilitating drug users. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Number 1618)

4. DEMAND REDUCTION (747,000)

The Demand Reduction Project is designed to strengthen the GOB's institutional capability to coordinate GOB policies and provide policy oversight for programs undertaken by the GOB and non-governmental organizations (NGOs) that promote greater awareness of the harm caused by drug consumption and promote healthy lifestyles, reduce actual drug use in Bolivia and rehabilitate

those afflicted by drug addiction. The project will provide the GOB with technical advice, equipment, training, and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal, in coordination with CONALTID and its subordinate, operative entities.

The planned life of this project is more than five years; at the end of five years, the GOB may require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. This is an ongoing project, and FY-06 funding will allow the GOB:

- to support the efforts of CONALTID to implement a national prevention strategy and engage civil society and NGOs in coordinated prevention efforts,
- to continue support for the project on Decentralization of Demand Reduction programs;
- to continue support for the Treatment and Rehabilitation system through training and infrastructure improvement;
- to expand the DARE police prevention program, with an aim of long-term sustainability and self sufficiency, in coordination with CONALTID;
- to explore possibilities for other types of in-school prevention activities; and,
- to provide selective technical support and donations to NGOs dedicated to prevention and rehabilitation to promote their long-term sustainability.

Continuing USG assistance builds upon years of prior support provided to address the shared goal of reducing drug use and rehabilitating drug users. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Number 1619)

5. BORDER & TRANSPORTATION CONTROL (34,000)

The Secure Borders Project is designed to increase the GOB's institutional capability to control the movement of commerce and persons across its borders. NAS funding complements and is coordinated with related activities undertaken by the Department of Homeland Security (DHS). The project will provide the GOB with technical advice, equipment, training, and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal. The project supports those GOB entities

that deal inter alia with customs, migration, and trafficking in persons, in coordination with CONALTID.

Continuing USG assistance to the GOB entities securing Bolivia's borders builds upon prior support provided to address the shared goal of eliminating drug trafficking and addressing counterterrorism. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Number 1929)

The planned life of the project is more than five years; at the end of five years, the GOB will require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. This is an ongoing project, and FY-06 funding will support GOB initiatives that address transnational and domestic crime, including trafficking in both persons and narcotics.

6. TERRORIST FINANCING/MONEY LAUNDERING (767,000)

The Terrorist Financing/Money Laundering Project is designed to increase the GOB's institutional capability to establish effective controls on transnational crime, including that associated with terrorism. The project will provide the GOB with technical advice, equipment, training, and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal.

The Law Enforcement Development Program (LEDP) provides police reform advice and extensive training in investigative procedures, trial procedures and human rights to FELCN, regular police and prosecutors.

Continuing USG assistance to the GOB entities pursuing initiatives that promote institutionalization and professionalism within the police builds upon prior support provided to address the shared goal of promoting good governance and rule of law in Bolivia. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Numbers 1227 and 1630)

The planned life of the project is more than five years; at the end of five years, the GOB will require additional USG funding and policy guidance if it is to continue improving on the

performance of prior years. This is an ongoing project, and FY-06 funding will support GOB initiatives that both promote greater professionalism within the Bolivian National Police (BNP), and address the training needs of the BNP, the Office of the Attorney General and the Judicial Sector..

7. ANTI-CORRUPTION (593,000)

The Anti-Corruption Project supports the Offices of Professional Responsibility (OPR) within the FELCN and BNP and is designed to increase the GOB's institutional capability to establish effective mechanisms that eliminate corruption within and promote the protection of human rights by the Bolivian National Police (BNP) and other GOB entities. The project will provide the GOB with technical advice, equipment, training and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal.

Continuing USG assistance to the GOB entities working to eliminate corruption and to promote human rights builds upon years of prior support provided to address the shared goal of strengthening rule of law with Bolivian institutions. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Number 1620)

The planned life of the project is more than five years; at the end of five years, the GOB will require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. This is an ongoing project, and FY-06 funding will support inter alia the efficient operation of the BNP's and FELCN's OPR system throughout the country's nine departments.

8. AVIATION SUPPORT (6,237,000)

The Aviation Support Project is designed to increase the GOB's institutional capability to provide aviation logistical support to its eradication (rationalization and areas of no expansion of coca cultivation) and interdiction activities, given the state of infrastructure throughout the respective zones of operation. The project will provide the GOB with technical advice, equipment, training, and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal,

in coordination with CONALTID. The project supports the following sub-activities:

- Red Devils Task Force (RDTF), and
- Black Devils Task Force (BlkDTF).

Continuing USG assistance to the GOB entities providing aviation support --each of which involves task forces comprising military units-- builds upon years of prior support provided to address the shared goal of eliminating drug trafficking in Bolivia. Toward that goal, the USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support this effort. (Project Numbers 1722, 1723, 1728)

The planned life of the project is more than five years; at the end of five years, the GOB will require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. This is an ongoing project, and FY-06 funding will enable the GOB to conduct the full range of eradication (rationalization and areas of no expansion of coca cultivation) and interdiction operations and meet goals (see previous) for FY-06 by providing the following:

- from RDTF: 3,436 hours of helicopter flight (in coordination with an INL Air Wing-funded project) and 1,200 hours of fixed-wing operations for the 3 fixed-wing aircraft, within appropriate safety tolerances, and
- from BlkDTF: 800 total fixed wing flight hour program for the C-130B aircraft and 300 flight hours for the King Air, within appropriate safety tolerances.

9. OPERATIONAL/LOGISTICAL SUPPORT (6,656,000)

The Operational/Logistical Support Project is designed to increase the GOB's institutional capability to provide operational and logistical support to its eradication (rationalization and areas of no expansion of coca cultivation) and interdiction activities via road and riverine systems, given the state of infrastructure throughout the respective zones of operation. The project will provide the GOB with technical advice, equipment, training, and other elements (as summarized above) as appropriate, as well as other forms of assistance as may be deemed relevant tactically to achieve the shared strategic goal, in coordination with CONALTID. The project supports the following sub-activities:

- Green Devil Task Force (GDTF),
- Blue Devil Task Force (BDTF), and
- Infrastructure (INFRA).

Continuing USG assistance to the GOB entities providing operational/logistical support --each of which involves task forces comprising military units-- builds upon years of prior support provided to address the shared goal of eliminating drug trafficking, attacking terrorism and promoting the rule of law in Bolivia. The Green Devil Task Force (GDTF) consists of 160 Bolivian Army personnel who provide ground transportation to the CN units using a fleet of 119 light-, medium- and heavy-lift utility and other types of vehicles provided by the USG. The continuing maintenance of this fleet, funded by the USG, will enable supported projects to maximize their results in FY2006. These resources support eradication (rationalization and areas of no expansion of coca cultivation) and interdiction activities, helping the GOB manage logistical requirements across Bolivia unsophisticated transportation infrastructure. The Blue Devils Task Force (BDTF) is a Bolivian Navy riverine unit that patrols the country's extensive river system, providing logistical and intelligence support to FELCN interdiction operations. The INFRA project is a NAS entity that provides technical services (including procurement, accounting, warehousing, distribution, maintenance and motor pools) in support to all NAS-financed projects, as well as supports the functioning of all NAS facilities located outside of La Paz. The USG and the GOB will take actions and commit resources on an annual basis as authorized by their respective legislative processes to support these efforts. (Project Numbers 1208, 1209, 1617)

- The planned life of the project is more than five years; at the end of five years, the GOB will require additional USG funding and policy guidance if it is to continue improving on the performance of prior years. This is an ongoing project, and FY-06 funding will provide for the following:
 - for GDTF, the fuel, travel costs, economic incentives and replacement parts to support an operational rhythm of four million miles a month, and
 - for BDTF, technical and material assistance that allows for the gradual reduction of the scale of BDTF.

III. PERFORMANCE GOALS AND MEASUREMENTS OF EFFECTIVENESS

DRUG CONTROL

1. INTERDICTION

The goal for FY2006 funding is to interdict at least 16% of Bolivia's potential cocaine production and to dramatically improve judicial processing time (to be measured from arrest to conviction) over the previous year.

Methods of verification of project achievement include observation by personnel of the two cooperating governments, by official GOB records of operational results and by official estimates of Bolivia's potential cocaine production.

2. ERADICATION (RATIONALIZATION AND AREAS OF NO EXPANSION OF COCA CULTIVATION)

The long-term goal of this project is to reduce the amount of coca produced in Bolivia to a level that satisfies no more than domestic demand for licit uses, not to exceed the amount currently allowed under Bolivian Law 1008. The goal for FY-06 is:

- That the relevant institutions of the Bolivian government reduce the amount of hectares of coca in the country as established by Law 1008, beginning with 5,000 until reaching the goal of 8,000 hectares annually, subject to the availability of resources, including bilateral and multilateral financial assistance, for a period of twelve months during 2006-2007.

Methods of verification of project achievement include observation by personnel of the two cooperating governments and by official GOB records of operational results.

3. POLICY DEVELOPMENT

The long-term goal of this project is to provide:

- the GOB with the means to strengthen and maintain strong counternarcotics and anti-crime policies and programs in order to address the overall problem of illegal drugs, their production, trafficking, and consumption, and
- the GOB and/or relevant non-governmental organizations (NGOs) with the means *inter alia* to build and sustain Bolivian public support for counternarcotics policies and programs.

The goal for FY-06 is:

- for the GOB ministries represented within CONALTID to adopt and implement a new National Drug Strategy, with a plan to reduce coca to levels currently allowed by Bolivian Law 1008 and to interdict more cocaine and to include a comprehensive social communication strategy.

Methods of verification of project achievement include observation by personnel of the two cooperating governments and by official GOB records of operational results.

4. DEMAND REDUCTION

The long-term goal of this project is to provide the GOB with the means to increase public awareness of the harm caused by drug consumption and promote healthy lifestyles, to discourage new drug users and to promote improvements in Bolivia's own drug prevention and rehabilitation programs.

The goal for FY-06 is to expand the DARE program to new cities and to schools in coca-growing areas, reaching at least 40,000 middle school students; certify additional members of the BNP and FELCN as DARE instructors; and conduct a scientifically based evaluation of the effectiveness of the DARE program.

5. BORDER & TRANSPORTATION CONTROL

The long-term goal of this project is to strengthen border controls, increase information-sharing and improve international cooperation, thereby reducing the trafficking in persons and the movement of illegal immigrants, contraband and drug trafficking across Bolivia's borders. In addition, this project will support regional operations to identify, disrupt and dismantle Drug Trafficking Organizations (DTO) in the border nations, and identify and target cocaine sources of supply operating in those areas. The goal for FY-06 is to continue to support GOB efforts to coordinate with neighboring governments on transborder crime, in pursuit of greater law enforcement cohesion across borders. More specifically, the goal is to provide training to up to five people or to support their participation in a seminar on transborder crime issues. In addition, the goal for FY-06 is to provide training and equipment, more than likely telecommunications equipment, in support of the regional operations to identify, disrupt, and dismantle the DTOs and sources of supplies.

Methods of verification of project achievement include observation by personnel of the two cooperating governments and by official GOB records of operational results.

6. TERRORIST FINANCING/MONEY LAUNDERING

The long-term goal of this project is to reduce the risk of Bolivia becoming a haven for terrorist financing and to increase the professionalism of the BNP and prosecutors. The goal for FY-06 is:

- to provide training to 200 BNP (FELCN, PTJ and Prosecutors) in Basic Criminal Investigative Techniques (including a UN-based human rights module), to 150 FELCN and prosecutors in Advanced Investigative Techniques (including methods on how to investigate and build anti-terrorist cases), to 25 Special Crimes Task Force members (GTIDE) in special criminal investigative techniques in Santa Cruz and Cochabamba, and to 65 DNRP officers in internal investigative techniques and administrative duties,
- to support the creation of an effective money laundering regime in Bolivia, amending laws and providing training as appropriate, and
- to support the newly established GTIDE unit in Cochabamba (providing training as required).

Methods of verification of project achievement include observation by personnel of the two cooperating governments and by official GOB records of operational results.

7. ANTI-CORRUPTION

The long-term goal of this project is to promote greater accountability within the BNP.

The goal for FY-06 funding is:

- to stabilize the personnel assigned to the BNP's Office of Professional Responsibility (OPR) and Tribunal (providing training as required),
- to complete at least 80% of reported internal misconduct cases within the BNP within six months and 100% within one year, and
- to sustain a case-tracking system that enables the GOB to monitor and investigate allegations of human rights violations against elements of the BNP and Armed Forces.

Methods of verification of project achievement include observation by personnel of the two cooperating governments and by official GOB records of operational results.

8. AVIATION SUPPORT

The long-term goal of this project is to provide the logistical support --via C130s, helicopters and other fixed wing assets-- required to support the efforts of all other NAS-funded projects.

The goal for FY-06 funding is:

- for RDTF, to maintain:
 - aircraft availability rate (target: 80 percent) of 11 UH-type helicopters and up to four light fixed-wing aircraft,
 - a qualified force of helicopter pilots, fixed-wing pilots, crew chiefs and support technicians,
 - 9,500 logistics stocked items (target: zero defect accountability),
 - 3,436 flight hours for the helicopters, and 1,200 flight hours for the small fixed wing aircraft.

- for BlkDTF, to maintain:
 - aircraft availability rate (target: 90%) of three C130B model medium lift cargo aircraft and one King Air.
 - a qualified force of four flight crews, engineers, navigators, loadmasters and maintenance technicians
 - 2,500 logistic stock items (target: zero defects), and
 - a flight hour program of 1,100 hours per year.

Methods of verification of project achievement include observation by personnel of the two cooperating governments and by official GOB records of operational results.

9. OPERATIONAL/LOGISTICAL SUPPORT

The long-term goal of this project is to provide the logistical and administrative support required to allow other NAS-financed projects to undertake their various activities, including interdiction, eradication (rationalization and areas of no expansion of coca cultivation) and the pursuit of rule of law.

The goal for FY-06 is:

- for GDTF, to maintain a rate of operational readiness at 98%, and

- for BDTF, to contribute logistical support in at least four joint CN operations per month with the FELCN and increase interdiction results by 10% over FY05.

Methods of verification of project achievement include observation by personnel of the two cooperating governments and by official GOB records of operational results.

The specific goals of the separate component elements of these projects are as specified in the descriptions in Section II above. Progress toward achievement of these project goals will be measured for each separate component element of the projects in terms of the goals specified above, and for each project as a whole, in terms of the extent to which the participating institutions of the GOB develop the institutional capability and are provided by the GOB with the resources necessary to implement their drug and crime control responsibilities within the framework of national policies and strategies without requirement for assistance from external sources.

IV. EVALUATION PLAN

The USG will re-evaluate GOB counternarcotics performance on March 15, 2007. This evaluation will include a review of the GOB's progress from September 15, 2006 through March 15, 2007, based on all relevant criteria.

Representatives of the USG and the GOB will meet at least every two months during the year covered by this Letter of Agreement (LOA) to review progress towards achievement of the project goal and objectives described in detail throughout this LOA. Reviews of specific component elements of the project will include officials of agencies of the GOB receiving assistance under those project elements. These every two month evaluations will be coordinated with CONALTID. Progress will be evaluated in accordance with the measurements of success described in Section III of this LOA. Information to be considered in conducting these evaluations will include qualitative and quantitative indicators. A written report will be prepared jointly by the NAS (for the USG) and the Ministry of Foreign Affairs (for the GOB) on an annual basis that summarizes the results of these two month evaluations. These evaluations are in addition to the ongoing monitoring of the programs and activities conducted by relevant personnel of both governments, and separate from the March 15, 2007 evaluation.

V. STANDARD PROVISIONS

1. Funds

A. Disbursement of USG funds shall be for procurement of property, equipment, supplies, material and services (hereinafter collectively "property").

B. Funds obligated by the USG that have not been spent within twelve months following the close of the United States fiscal year in which the LOA is signed may be de-obligated by the USG. An extension of this period may be granted by INL.

C. The GOB shall contribute to the projects described in this LOA by making reasonable efforts to ensure adequate funding for normal administrative and related expenses for GOB personnel. These expenses might include the payment of rents and utilities, telephone costs, salaries and benefits (including medical and other insurance protection), per diem and travel costs within Bolivia, personal equipment and uniforms, and by recruiting and retaining competent personnel.

D. The GOB shall make such reasonable efforts as are necessary to ensure that funds or other support provided under this LOA are not employed in any way in support of drug trafficking.

2. Title

Title to all property, except aircraft, procured with funds provided by the USG under this LOA shall be to the GOB unless otherwise specified.

3. Property and Personnel

A. Property

(1) Property furnished to the GOB through funds provided by the USG shall be used solely to further the objects and purposes of this LOA, except for support to emergency humanitarian situations. The GOB shall return to the USG, or reimburse the USG for the original purchase price of any property that it obtains through funds provided by the USG that is not used in accordance with this provision. The GOB shall not authorize the re-export, transfer, loan, sale or other disposition of any property provided to it under this LOA without the prior written authorization of the USG. Funds derived from the re-export, transfer, loan, sale or other disposition of any property

furnished or funded by the USG to the GOB under this LOA shall be used to further the objectives of the LOA.

(2) All property furnished or funded under this LOA shall be accounted for to the U.S. Embassy by the GOB in no less rigorous manner than would be used if the property was acquired by the GOB with Bolivian government funds.

B. Personnel

(1) Before scholarships, fellowships or participant training for personnel proposed by the GOB can be furnished or funded under this LOA, each such person must execute a certification, as set forth in the Annex to this LOA, that he/she has not been convicted of a narcotics offense and has not been involved in narcotics trafficking within the last ten years.

(2) In order to retain the maximum benefits from the investment in training, the GOB agrees to retain personnel who have received training furnished or funded under this LOA for a minimum of two years after completing such training. This provision may be waived by written agreement of the Parties.

4. Monitoring and Evaluation

A. Each Party shall have the right: (1) to examine any property furnished or funded by that Party under this LOA to determine that such property is being used in accordance with the terms of the LOA; and (2) to inspect and audit any records and accounts with respect to funds, property or services furnished or funded by that Party under this LOA to determine that such funds, property and services are being utilized in accordance with the terms of this LOA.

B. The Parties shall monitor the progress of implementation of this LOA, including the use of funds, property and services furnished or funded under this LOA at least annually. Each Party shall assign qualified personnel to participate in the monitoring and evaluation process.

C. Each Party shall furnish the other with information necessary to evaluate the effectiveness of project operations under the terms of this LOA. At the termination of each project, a completion report shall be issued. This report shall include a summary of project contributions by the USG and the GOB, a record of activities performed, objectives achieved and related data.

5. Applicable Laws

A. Each Party shall expend funds and support project operations in accordance with its applicable laws and regulations.

B. All property furnished or funded by the USG under this LOA shall be procured in and shipped from the United States unless otherwise provided for in this LOA, or in any project annex, or as otherwise authorized in writing by the USG.

6. Taxes

A. Property and Funds

- Any property or funds introduced into or acquired in Bolivia by the USG or by any person or entity (including but not limited to contractors and grantees) funded by the USG as part of, or in conjunction with, this LOA shall be exempt from all taxes, service charges and investment or deposit requirements and currency controls in Bolivia. The import, export, purchase, acquisition, use or disposition of any such property or funds in conjunction with this LOA shall be exempt from all tariffs, custom duties, import and export taxes, taxes on acquisitions or purchases or disposition, value-added taxes and any other taxes or similar charges in Bolivia.

B. USG Personnel

- All personnel employed directly or indirectly by the USG and assigned by the USG to perform duties in Bolivia in connection with this LOA, and accompanying members of their families, shall be exempt from all Bolivian income taxes and social security taxes with respect to income earned while in Bolivia, and from property taxes on real or personal property located in Bolivia and intended for their own personal use. Such personnel and accompanying members of their families shall receive the same treatment with respect to the payment of customs and import duties on personal effects, equipment and supplies imported into Bolivia for their own use, as is accorded by the GOB to diplomatic agents of the United States Embassy in Bolivia.

C. Contract Services

- Any non-Bolivian national contractor, including any consulting firm, any non-Bolivian national personnel of such contractor funded under this LOA and present in Bolivia to perform work in connection with this LOA, any property or transaction related

directly to such contracts, and any commodity procurement transaction funded under this LOA, shall be exempt from all taxes, tariffs, duties or other levies imposed in Bolivia.

D. The tax arrangements provided under paragraphs B and C are not applicable to citizens or permanent residents of Bolivia present in Bolivia in conjunction with this LOA.

7. Status of USG Personnel in Bolivia

A. The GOB shall receive persons designated by the USG to discharge responsibilities of the USG under this LOA. Upon appropriate notification from the USG, the GOB shall grant USG employees the privileges and immunities accorded to the Administrative and Technical staff of the USG and assigned to the U.S. Embassy. Contractors under this agreement shall be granted official acts immunity.

B. The privileges and immunities provided under paragraph A are not applicable to citizens or permanent residents of Bolivia present in Bolivia in conjunction with this LOA.

8. Human Rights

The Parties recognize that the protection of human rights is an important element of this LOA. To this end, the Parties understand that:

A. USG assistance to the GOB narcotics and crime control effort is conditioned on the GOB actively protecting human rights in Bolivia, and

B. In accordance with United States law and policy, no USG assistance or funds shall be provided under this LOA to or for use by a unit of the security forces of the GOB if the USG has credible evidence that such a unit has committed gross violations of human rights, unless the USG determines that the GOB is taking effective measures to bring the responsible members of the security forces unit to justice. The Parties understand that "effective measures" means that the Government of Bolivia is carrying out a credible investigation and that the individuals involved face appropriate disciplinary action or impartial prosecution in accordance with Bolivian law.

9. Final Clauses

A. This LOA shall enter into force upon signature by authorized representatives of both Parties.

B. Modifications to this LOA may be made as agreed by the Parties and issued as amendments to this LOA.

C. Either Party may terminate this LOA by giving the other Party 90 days prior written notice of its intention to terminate. The USG may suspend its obligations under this LOA in whole or in part upon giving the GOB written notice.

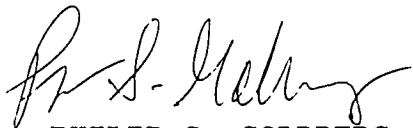
D. Notwithstanding the notification procedures set forth in Paragraph B, the USG reserves the right to terminate any and all assistance provided under this LOA immediately upon notice, or to take any other appropriate measures, if an agency of the GOB, to or through which assistance is being provided under this LOA, or a key individual of such agency, or any recipient of scholarships, fellowships or training furnished or funded under this LOA, is found to have been convicted of a narcotics offense, or to be or have been engaged in drug trafficking. Drug trafficking is defined as any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or to assist, abet, conspire, or collude with others in illicit activities, including money laundering (defined as the process whereby proceeds of criminal activity are transported, transferred, transformed, converted, or intermingled with legally acquired funds, for the purpose of concealing or disguising the true nature, source, disposition, movement, or ownership of these proceeds), relating to narcotic or psychotropic drugs, precursor chemicals, or other controlled substances. This definition is within the framework established in paragraphs 1 and 2 of Article 3 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. A narcotics offense is defined as a violation of, or a conspiracy to violate, any law or regulation of the United States, a State, the District of Columbia or other U.S. territory, or a foreign country relating to narcotic or psychotropic drugs or other controlled substance.

E. Notwithstanding the termination of this LOA, the obligations of the GOB under Section V, Paragraph 3 of this LOA relating to the use of property shall continue to apply without respect to time unless otherwise agreed in writing by the Parties.

DONE at La Paz, Bolivia, in English and Spanish languages, both texts being recognized as equally valid this 20th day of December, 2006.

FOR THE GOVERNMENT OF THE UNITED
STATES OF AMERICA

FOR THE GOVERNMENT OF THE
REPUBLIC OF BOLIVIA



PHILIP S. GOLDBERG
UNITED STATES
AMBASSADOR TO BOLIVIA



DAVID CHOQUEHUANCA CESPEDES
MINISTER OF FOREIGN AFFAIRS
AND WORSHIP
REPUBLIC OF BOLIVIA

ANNEX

CERTIFICATION - NARCOTICS OFFENSES AND DRUG TRAFFICKING

1. I hereby certify that within the last ten years:
 - a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States, or of any other country, concerning narcotics or psychotropic drugs or other controlled substances.
 - b. I am not and have not been an illicit trafficker in any such drug or controlled substance.
 - c. I am not and have not been a knowing assister, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.
2. I understand that the United States Department of State (DOS) may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my DOS-funded training.

Signature:

Name:

Date:

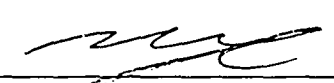
NOTICE

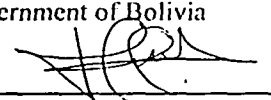
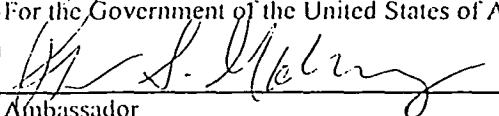
1. Pursuant to the agreements between the USG and the GOB, you are required to sign this Certification.
2. If you make a false Certification you are subject to criminal prosecution under applicable laws.

Letter of Agreement Between the Government of the United States of America and the Government of Bolivia

<p>The above named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the annexes indicated below.</p> <p style="text-align: center;"> <input checked="" type="checkbox"/> Project Description <input checked="" type="checkbox"/> Standard Provisions </p> <p> Annex A <input type="checkbox"/> Annex B <input type="checkbox"/> Annex C <input type="checkbox"/> Annex D <input type="checkbox"/> </p> <p>This Letter of Agreement is further subject to the terms of the following agreement between the two Governments as modified and supplemented.</p>	<p>LOA Number</p> <p>06-01</p>	<p>Amendment Number:</p> <p>-</p>
	<p>Date of Original LOA</p> <p>-</p>	<p>Amount of Funds to be provided in this Amendment</p> <p>\$33,820,000</p>

Project Number	Project Title	Personnel	Operational Support	Commodities	Other Costs	Total
Various	Various	4,780,168	16,871,152	4,833,730	7,334,950	33,820,000

Previous Funding Provided this Fiscal Year	0	<u>Appropriation and Allotment</u>	<u>Sub obligation Terminal Date</u>
Funding Increase with LOA or Amendment	33,820,000	19-6/811540000	September 30, 2008
Total Funding Provided this Fiscal Year	33,820,000	Certification that Funds are Available: <div style="text-align: right;">  Date: <u>12/15/06</u> </div>	
Total Funding Provided in Previous Fiscal Years	458,671,457		
Total Funding Provided to Date	492,491,457		

<p>For the Government of Bolivia</p> <p style="text-align: center;"></p> <p>Minister of Foreign Affairs and Worship</p>	<p>Date: <u>20 DEC. 2006</u></p>	<p>For the Government of the United States of America</p> <p style="text-align: center;"></p> <p>Ambassador</p>	<p>Date: <u>20 DEC. 2006</u></p>
--	----------------------------------	---	----------------------------------

Agreement Between the Government of the United States of America and the Bolivian Ministry of Foreign Affairs and Worship

Distribution of Funding by Project and Cost Component

(in U.S. Dollars)

Project No.	Project Title	Personnel	Operational Support	Commodities	Other Costs	Total
1205	National Police Rural Mobile Patrol (UMOPAR)	346,000	2,588,786	156,676	1,961,538	5,053,000
1207	Special Intelligence and Operations Group (GIOE)	0	1,240,286	401,005	563,709	2,205,000
1211	Chemical Investigations Group (GISUQ)	0	339,958	439,773	301,269	1,081,000
1203	Commands and National Headquarters (FELCN)	0	997,491	10,000	275,509	1,283,000
1202	Econ./Financ. Investig. & Analysis Group (GIAEF)	0	197,150	2,100	100,750	300,000
1204	Drug Detection Canine Unit (K-9)	0	469,825	175,661	164,514	810,000
1210	International Anti-Narcotics Training Center Garras del Valor	0	285,000	13,500	159,500	458,000
1621	Controlled Substances (Prosecutors)	57,426	623,677	847,044	273,853	1,802,000
1413	Joint Task Force Project (JTF)	222,846	1,824,323	87,128	132,703	2,267,000
1412	Ecological Police (ECOPOL)	0	823,500	282,300	120,200	1,226,000
1414	Directorate General for Integral Dev. of Coca Producing Regions (DIGPROCOCA)	0	1,605,000	18,000	578,000	2,201,000
1515	Directorate General for Coca and Industrialization (DIGCOIN)	0	0	0	0	0
1618	Policy Development (GOB)	38,473	11,200	44,327	6,000	100,000
1619	Drug Awareness and Prevention	55,000	160,000	525,800	6,200	747,000
1208	Blue Devil Task Force (BDTF)	0	551,600	0	148,400	700,000
1209	Green Devil Task Force (GDTF)	230,555	429,703	4,997	576,745	1,242,000
1617	Field Support Program (INFRA)	2,704,160	641,340	272,000	1,096,500	4,714,000
1929	Secure Borders	0	0	0	34,000	34,000
1227	Law Enforcement Development Training Program (LEDP)	330,000	29,000	310,500	67,500	737,000
1616	Directorate of Seized Assets (DIRCABI)	0	0	0	0	0
1630	Financial Investigative Unit (FIU)	0	0	0	30,000	30,000
1620	Office of Professional Responsibility (OPR)	0	284,000	77,000	232,000	593,000
1723	Red Devil Task force (RDTF)	327,956	1,381,909	202,349	332,992	2,245,206
1722	Black Devil Task Force C-130 Program (BLDTF)	467,752	2,387,404	14,033	173,068	3,042,257
1728	Helicopter Conversion	0	0	949,537	0	949,537
5224	Special Investigation Unit	0	0	0	0	0
5225	Andean Program	0	0	0	0	0
Summary	Total	4,780,168	16,871,152	4,833,730	7,334,950	33,820,000